Sanbos (M) Sdn Bhd v Tiong Mak Liquor Trading (M) Sdn Bhd

HIGH COURT (KUALA LUMPUR) — SUIT NO (D7)(IP)D5–22–1600 OF 2005
RAMLY ALI J
30 JANUARY 2008

Civil Procedure — Injunction — Application for interim injunction — Applicable principles — Whether plaintiff had unusually strong case — Whether damages adequate compensation — Balance of convenience

Trade Marks — Passing off — Basis of comparison — Numeric — Disclaimer — Whether could take into account during comparison

Trade Marks — Passing off — Deception or confusion — Whether close resemblance of marks — Whether similar in shape, colour or sound — Likelihood of deception and confusion — Basis of comparison

Trade Marks — Passing off — Elements of — Misrepresentation — Nature of person confused or deceived — Market survey — Whether should be given weight

Trade Marks — Passing off — Reputation and goodwill — Whether plaintiff suffered or likely to suffer damage

The plaintiff was the proprietor of trademarks 'CLUB 99' and 'CLUB 999'. The defendant had been carrying on business as a manufacturer, bottler, distributor and seller of liquor and spirit using 'TRIPLE 999' mark since November 1997. The defendant had sold a substantial quantity of liquor bearing 'TRIPLE 999' mark without any interference from the plaintiff since November 1997 and had acquired a substantial reputation and/or goodwill in 'TRIPLE 999' mark. The plaintiff alleged that the defendant was guilty of trademark infringement and passing off. The defendant denied all the allegations. This was the plaintiff's application against the defendant for, inter alia, an injunction for infringement of trademark and passing off.

Held, dismissing the plaintiff's application with costs:

(1) The law on trademark infringement is governed by ss 35 and 38 of the

Trade Marks Act 1976 ('the Act'). In essence, the plaintiff, in order to prove its case of infringement under s 38 of the Act, must prove that the alleged infringing mark was identical with or so near resembling the plaintiff's mark as was likely to deceive or cause confusion. The relevant test to apply is by comparing the marks as a whole, in particular their sound, look, distinguishing and essential features; the nature of the goods and customers as well as all the surrounding circumstances (see paras 11 & 14–15).

(2) Based on the considerations and applying the tests laid down in the authorities, there were obvious dissimilarities between the plaintiff's 'CLUB 99' mark or 'CLUB 999' mark and the defendant's 'TRIPLE 999' mark. The word 'CLUB' in the plaintiff's marks and the word 'TRIPLE' in the defendant's mark were entirely different, phonetic as well as visual. The emphasis was placed on the words 'CLUB' and 'TRIPLE' respectively and consumers or purchasers would pronounce the word 'CLUB' and 'TRIPLE' before the numeral '9' (see paras 21–22).

(3) The plaintiff did not have the exclusive right to use the numerals '99' and '999' in both its trademarks as it had disclaimed right to exclusive use of the numerals '99' and '999'. The plaintiff only had an exclusive right on the word 'CLUB' in both registration. Thus, the court should disregard the numerals '99' and '999' in the plaintiff's registration when comparing whether the defendant's 'TRIPLE 999' mark was confusingly similar to the plaintiff's marks (see para 25).

(4) On the facts, the plaintiff had not adduced any evidence to show that it had been using and/or promoting the 'CLUB 999' mark. Further, the defendant started using the 'TRIPLE 999' mark prior to the application date of Trade Mark No 97017342 for 'CLUB 999'. The plaintiff therefore had failed to show that it had acquired goodwill and reputation (see para 38).

(5) The plaintiff had also failed to show that the numeral '9' was a feature peculiar to the plaintiff's product as the other traders including the defendant have been using the numeral '9' for liquor product. There would be no confusion between products bearing 'CLUB 99' mark or 'CLUB 999' mark and 'TRIPLE 999' mark because consumers or purchasers would place emphasis on the prices of the liquor and their overall appearance and get-up as opposed to the mark (see para 42).

(6) Further, the evidence contained in the purported market survey tendered by the plaintiff in an attempt to show possible deception and/or confusion was of no probative value as it suffered from

fundamental defects. The said survey had failed to comply with the minimum criteria laid down in *Imperial Group Plc v Morris Ltd* (1984) RPC 293 (see paras 48 & 54). A

(7) There was no likelihood that the plaintiff would suffer damage because the plaintiff had failed to prove that it had acquired goodwill and reputation in its liquor business under both marks and that there was no likelihood of confusion between the plaintiff's trademark and the defendant's trademark (see para 57). B

(8) Thus, based on the aforesaid considerations, the court was satisfied that the plaintiff had failed to prove its case for the court to exercise its discretion to grant the interlocutory injunction (see para 72). C

[Bahasa Malaysia summary

Plaintif adalah pemilik tanda dagangan untuk 'CLUB 99' dan 'CLUB 999'. Defendan telah menjalankan perniagaan sebagai pembuat, pembotol, pengedar dan penjual minuman keras dan arak dengan menggunakan tanda 'TRIPLE 999' semenjak November 1997. Defendan telah menjual kuantiti minuman keras yang substansial dengan menggunakan tanda 'TRIPLE 999' tanpa apa-apa campur tangan daripada plaintif semenjak November 1997 dan telah mencapai reputasi dan/atau nama baik yang substansial dalam tanda 'TRIPLE 999'. Plaintif mendakwa bahawa defendan bersalah terhadap perlanggaran tanda dagangan dan kekelirupaan. Defendan menafikan kesemua dakwaan tersebut. Ini adalah permohonan plaintif terhadap defendan untuk, antara lain, injunksi untuk perlanggaran tanda dagangan dan kekelirupaan. D E F

Diputuskan, menolak permohonan plaintif dengan kos: G

(1) Undang-undang berkenaan perlanggaran tanda dagangan dikawal oleh ss 35 dan 38 Akta Cap Dagangan 1976 ('Akta tersebut'). Pada hakikatnya, untuk membuktikan kesnya berkenaan perlanggaran di bawah s 38 Akta tersebut, plaintif mesti membuktikan bahawa perlanggaran tanda yang didakwa tersebut adalah serupa dengan atau hampir menyerupai tanda plaintif yang membolehkan untuk menipu atau menyebabkan kekeliruan. Ujian relevan untuk digunakan ialah dengan membandingkan tanda-tanda secara menyeluruh, khususnya bunyi, rupa, bahagian-bahagian yang membezakan dan penting, sifat barangan dan pelanggan termasuk keadaan sekeliling (lihat perenggan 11 & 14–15). H I

(2) Berdasarkan pertimbangan dan mengguna pakai ujian yang ditetapkan di dalam autoriti-autoriti, jelas terdapat ketidaksamaan di antara tanda

'CLUB 99' plaintif atau tanda 'CLUB 999' dengan tanda 'TRIPLE 999' defendan. Perkataan 'CLUB' dalam tanda plaintif dan perkataan 'TRIPLE' dalam tanda defendan adalah keseluruhannya berbeza, secara fonetik dan juga visual. Penekanan diletakkan pada perkataan 'CLUB' dan 'TRIPLE' masing-masing dan pelanggan atau pembeli akan menyebut perkataan 'CLUB' dan 'TRIPLE' sebelum angka '9' (lihat perenggan 21–22).

(3) Plaintif tidak mempunyai hak eksklusif untuk mengguna nombor-nombor '99' dan '999' di dalam kedua-dua tanda dagangannya kerana ia telah menolak daripada menuntut hak terhadap penggunaan eksklusif penggunaan nombor-nombor '99' dan '999'. Plaintif hanya mempunyai hak eksklusif ke atas perkataan 'CLUB' dalam kedua-dua pendaftaran. Oleh itu, mahkamah sepatutnya tidak mempedulikan angka-angka '99' dan '999' dalam pendaftaran plaintif apabila membezakan sama ada tanda 'TRIPLE 99' kepunyaan defendan adalah mengelirukan kerana hampir sama dengan tanda plaintif (lihat perenggan 25).

(4) Atas fakta, plaintif tidak mengemukakan apa-apa keterangan untuk menunjukkan bahawa ia menggunakan apa-apa keterangan untuk menunjukkan bahawa ia telah menggunakan dan/atau mempromosi tanda 'CLUB 999'. Selanjutnya, defendan mula menggunakan tanda 'TRIPLE 999' sebelum tarikh permohonan Tanda Dagang No 97017342 untuk 'CLUB 999'. Plaintif oleh itu gagal untuk menunjukkan bahawa ia telah memperoleh nama baik dan reputasi (lihat perenggan 38).

(5) Plaintif juga gagal untuk menunjukkan bahawa nombor '9' adalah ciri khusus kepada barangan plaintif kerana peniaga-peniaga lain termasuk defendan telah menggunakan nombor '9' untuk barangan minuman keras. Tidak akan terdapat kekeliruan di antara barangan-barangan bertandakan 'CLUB 99' atau tanda 'CLUB 999' dan tanda 'TRIPLE 999' kerana pengguna-pengguna atau pembeli-pembeli akan meletakkan penekanan atas harga-harga minuman keras dan penampilan keseluruhan mereka dan kos penyediaan bertentangan terhadap tanda tersebut (lihat perenggan 42).

(6) Selanjutnya, keterangan yang terdapat di dalam tinjauan pasaran yang dinyatakan yang diserahkan sebagai bukti oleh plaintif dalam cubaan untuk menunjukkan kemungkinan penipuan dan/atau kekeliruan tidak mempunyai nilai probatif kerana ia mengalami kecacatan dasar. Tinjauan pasaran tersebut juga gagal untuk mematuhi kriteria minimum seperti yang ditetapkan di dalam kes *Imperial Group Plc v Morris Ltd* (1984) RPC 293 (lihat perenggan 48 & 54).

(7) Besar kemungkinan plaintif tidak akan mengalami kerugian kerana plaintif telah gagal untuk membuktikan bahawa ia telah memperoleh nama baik dan reputasi di dalam perniagaan minuman kerasnya di bawah kedua-dua tanda dan besar kemungkinan tidak terdapat kekeliruan di antara cap dagangan plaintif dan cap dagangan defendan (lihat perenggan 57).

(8) Oleh itu, berdasarkan pertimbangan di atas, mahkamah bersetuju bahawa plaintif telah gagal untuk membuktikan kesnya untuk mahkamah menjalankan budi bicaranya untuk memberikan injunksi interlokutari (lihat perenggan 72).]

Notes

For cases on application for interim injunction, see 2(2) *Mallal's Digest* (4th Ed, 2007 Reissue) paras 3205–3207.

For a case on basis of comparison, see 12 *Mallal's Digest* (4th Ed, 2005 Reissue) paras 1625–1663.

For a case on reputation and goodwill, see 12 *Mallal's Digest* (4th Ed, 2005 Reissue) para 2092.

For cases on deception or confusion, see 12 *Mallal's Digest* (4th Ed, 2005 Reissue) paras 2058–2060.

For cases on elements of passing off, see 12 *Mallal's Digest* (4th Ed, 2005 Reissue) paras 2067–2075.

Cases referred to

American Cyanamid Co v Ethicon Ltd [1975] AC 396 (refd)

Ardath Tobacco Co Ltd v W Sandorides Ltd (1924) 42 RPC 50 (refd)

Athletes Foot Marketing Associates Inc, The v Cobra Sports Ltd & Anor (1980) 97 RPC 343 (refd)

Bank Negara Malaysia v Mohd Ismail & Ors [1992] 1 MLJ 400 (refd)

British-American Tobacco Co Ltd v Tobacco Importers & Manufacturers Ltd & Ors [1963] MLJ 196 (refd)

Chiarapurk Jack & Ors v Haw Par Brother International Ltd & Anor and another appeal [1993] 3 SLR 285 (refd)

Country Chemical Application (1937) 54 RPC 182 (refd)

Customglass Boats Ltd & Anor v Salthouse Bros Ltd (1976) RPC 589 (refd)

Haji Wan Habib Syed Mahmud v Datuk Patinggi Haji Abdul Taib Mahmud & Anor [1986] 2 MLJ 198 (refd)

Imperial Group Plc v Philip Morris Ltd (1984) RPC 293 (refd)

Kaviraj Pandit Durga Dutt Sharma v Navaratna Pharmaceutical Laboratories 1965 AIR SC 980 (refd)

Keet Gerald Francis Noel John v Mohd Noor bin Abdullah & Ors [1995] 1 MLJ 193 (refd)

Lim Yew Sing v Hummel International Sports & Leisure A/S [1996] 3 MLJ 7 (refd)

A *Management Publication Ltd v Blenheim Exhibitions Group Plc & Anor* [1991] FSR 550 (refd)
Matter of Loftus' Trade Mark, The (1894) 11 RPC 29; (1894) 1 Ch 193 (refd)
Morning Star Co-operative Society Ltd v Express Newspapers Ltd [1979] FSR 113 (refd)
B *Mothercare UK Ltd v Penguin Books Ltd* (1988) RPC 113 (refd)
NWL Ltd v Woods [1979] 1 WLR 1296 (refd)
Office Overload v Gunn [1977] CSR 39 (refd)
Payton & Co Ltd v Snelling Lampard & Co Ltd (1899) 17 RPC 48 (refd)
Pekeliling Triangle Sdn Bhd & Anor v Chase Perdana Bhd [2003] 1 MLJ 130
C (refd)
PHILIPS Trade Mark (1969) RPC 78 (refd)
Pianotist Co's Application (1906) 23 RPC 774 (refd)
Rosenthal v Reynolds (1892) 9 RPC 189 (refd)
Schweppes Ltd v Gibbens (1905) RPC 60 (refd)
D *Si Rusa Beach Resort Sdn Bhd v Asia Pacific Hotels Management Pte Ltd* [1985] 1 MLJ 132 (refd)
Sinma Medical Products (M) Sdn Bhd v Yomeishu Seizo Co Ltd & Ors [2004] 4 MLJ 358 (refd)
Tinta Press Sdn Bhd v Bank Islam Malaysia Bhd [1987] 2 MLJ 192 (refd)
E *Tohtonku Sdn Bhd v Superace (M) Sdn Bhd* [1992] 2 MLJ 63 (refd)
Tong Guan Food Products Pte Ltd v Hoe Huat Hng Foodstuff Pte Ltd [1991] 2 MLJ 361 (refd)
United Biscuits (UK) Ltd v Burtons Biscuits Ltd [1992] FSR 14 (refd)

F **Legislation referred to**
Trade Marks Act 1976 ss 35, 35(1), 38

Annou Xavier (Lee Swee Seng with him) (Lee Swee Seng & Co) for the plaintiff.
Michael Soo (Shook Lin & Bok) for the defendant.

G

Ramly Ali J:

THE PLAINTIFF'S APPLICATION

H **[1]** The plaintiff has filed an application against the defendant for, inter alia, an injunction for infringement of trademark and passing off.

[2] The present application by the plaintiff (vide the amended summons in chambers — encl 3) the plaintiff is seeking for the following interlocutory
I reliefs, namely:

A. An injunction to restrain the defendant, whether acting by himself, its directors, officers, distributors, servants, employees or agents or any of them collectively or otherwise howsoever from:

(a) infringing the plaintiff's 'CLUB 99' trademark under registration No 88002152 Class 33 and/or plaintiff's 'CLUB 999' trademark under registration No 97017342 Class 33 whether by manufacturing, importing, packing, labeling, distributing and selling amongst liquor products, whisky, compound whisky and all types of liquor bearing the 'CLUB 99' and 'CLUB 999' trade marks or similar design get up or colour get up or confusingly similar or make any reference to the plaintiff's 'CLUB 99' and 'CLUB 999' trade marks or as shown in Annexure 'A';

(b) infringing and/or passing off or attempting to infringe and/or pass off or causing, enabling or assisting others to infringe and/or pass off liquor products such as whisky, compound whisky, all other liquor bearing or making reference in any manner whatsoever to the 'CLUB 99' and/or 'CLUB 999' trademarks or as shown in Annexure 'A' as and for, or causing the same to be connected, combined or connected to the liquor products, whisky, compound whisky, all other liquor which are marketed and distributed by the plaintiff;

(c) passing off or attempting to pass off or causing, enabling or assisting others to pass off the defendant's goods as and for the plaintiff's liquor products or similar get up which is confusingly or deceptively similar with the plaintiff's trademarks as represented in Annexure 'A' either through the act of making, importing, packing, labelling, similar colour get up, similar design get up, similar design get up, distributing, offering to sell, sell or otherwise;

(d) using the 'TRIPLE 999' trade name or other trade names or as annexed in Annexure 'B' with the similar colour and design get up which is confusingly or deceptively similar with 'CLUB 99' and/or 'CLUB 999' as its corporate or trade name in any manner whatsoever in the business;

(e) assisting, enabling or conspiring or colluding with the distributors for whisky products or other parties from committing the acts referred in paras A(a) to (d) above;

(f) manufacturing, importing, distributing, selling, distilling and offering to sell or assisting third parties to manufacture, distribute and sell the 'TRIPLE 999' products and for wrongly causing the goods to be affiliated to the plaintiff's 'CLUB 99' AND 'CLUB 999';

(g) misappropriating and/or causing, enabling or assisting others to misappropriate the plaintiff's reputation, goodwill and commercial advantage, misrepresenting to or misleading the general public, consumers of plaintiff's 'CLUB 99' and 'CLUB 999' products to believe the existence of a trade connection or association between the

plaintiff and defendant by manufacturing, distributing and selling the infringed 'TRIPLE 999' products with the sign and colour, label and design get up of the infringed 'TRIPLE 999' which is confusingly similar;

B. An order directing the defendant to disclose fully all documents such as invoices, contracts, customers' records, sales records, delivery order, customers' declaration forms, shipping documents and bills of lading and other documents relating to importation, packing, labelling, manufacturing, distilling, supplying, sales and other trading of the defendant's goods using the defendant's trade name and within seven days of this order do affirm an affidavit exhibiting thereto copies of all the aforesaid documents and at the same time serve a copy thereof on the plaintiff's solicitors.

C. An inquiry into damages against the defendant or at the plaintiff's option for accounts on profits and payments by the defendant to be paid to the plaintiff for all payments received during this inquiry;

D. Further relief as this court deems fit and proper;

E. Costs in the cause.

[3] The grounds for this application are as follows:

(a) The plaintiff is the registered owner of the subsisting and continuing trademarks in Malaysia under registration Nos 88002152 and 97017342 Class 33 respectively;

(b) The plaintiff is in the business of manufacturing, exporting, distributing, selling, distilling and offering to sell the goods using the said trademarks and/or letters and numerals 'CLUB 99' and 'CLUB 999'. There has been profitable sales leading to the said trademarks and/or letters and numerals to be connected to the plaintiff;

(c) The defendant has infringed the said trademarks and/or passed off its goods as and for the plaintiff's goods or connected the plaintiff's goods and mislead the use of the said trademarks by using its goods with a confusing and deceiving trade name to suppose the existence of the defendant's goods and/or misrepresenting to the business and public that its goods are that of the plaintiff's goods;

(d) The defendant has used or assisted the infringing 'TRIPLE 999' trade name with the 'TRIPLE 999' products in Malaysia which is confusing and/or deceiving with the 'CLUB 99' and 'CLUB 999' trademarks and took advantage of the good will and reputation of 'CLUB 99' and 'CLUB 999' trademarks; and

(e) The defendant's goods containing the infringing trade name and the plaintiff's goods containing the said trademarks are of the same goods or products with the same description and sold through same business channels and will cause confusion and deceit.

BACKGROUND FACTS

[4] The plaintiff is the proprietor of trademark Registration Nos 88002152 for 'CLUB 99' and 97017342 for 'CLUB 999' in Class 33 ('CLUB 99 mark' and 'CLUB 999 mark' respectively).

[5] The defendant has been carrying on business as a manufacturer, bottler, distributor and seller of liquor and spirit pursuant to license granted by the Customs and Excise Department using 'TRIPLE 999' mark since November 1997.

[6] The defendant has sold a substantial quantity of liquor bearing 'TRIPLE 999' mark without any interference from the plaintiff since November 1997, and has acquired a substantial reputation and/or goodwill in 'TRIPLE 999' mark.

[7] The plaintiff had through its solicitors' letter dated 4 February 2005 alleged that the defendant was guilty of trademark infringement and passing off. Thereafter, the defendant's solicitors had responded via letter dated 7 February 2005 denying the allegations. The plaintiff did not respond to the said letter and did not take further action until it instituted this action vide writ of summons dated 31 October 2005.

THE PLAINTIFF'S CAUSE OF ACTION

[8] The plaintiff's causes of action against the defendant are allegedly for infringement of the 'CLUB 99' mark and 'CLUB 999' mark under trademark Registration Nos 88002152 and 97017342 and the tort of passing off.

[9] The plaintiff seems to base its cause of action on trademark infringement as well as on passing off. It is pertinent at this stage, to distinguish the legal position between the two causes of action.

[10] The action for infringement is a statutory remedy conferred on the registered proprietor of a registered trademark for the vindication of the exclusive right to the use of the trademark in relation to those goods. An action for passing off is a common law remedy being in substance an

action for deceit, that is a passing off by a person of his own goods as those of another. But this is not the gist of an action for infringement. The use by the defendant of the trademark of the plaintiff is not essential in an action for passing off, but is the *sine qua non* in the case of an action for infringement. No doubt, where the evidence in respect of passing off consists merely of the colourable use of a registered trademark, the essential features of both the actions might coincide in the sense that what would be a colourable imitation of a trademark in a passing off action would also be such in an action for infringement of the same trademark. But there the correspondence between the two ceases. In an action for infringement, the plaintiff must no doubt, make out that the use of the defendant's mark is likely to deceive, but where the similarity between the plaintiff's and the defendant's mark is so close either visually, phonetically or otherwise and the court reaches the conclusion that there is an imitation, no further evidence is required to establish that the plaintiff's rights are violated (see *Kaviraj Pandit Durga Dutt Sharma v Navaratna Pharmaceutical Laboratories* 1965 AIR SC 980).

TRADE MARK INFRINGEMENT

[11] The law on trademark infringement is governed by ss 35 and 38 of the Trade Marks Act 1976 ('the Act').

[12] The relevant provisions of s 35 of the Act are as follows:

> (1) Subject to the provisions of this Act, the registration of a person … as registered proprietor of a trademark (other than a certification trademark) in respect of any goods or services shall, if valid, give or be deemed to have been given to that person the exclusive right to the use of the trademark in relation to those goods or services subject to any conditions, amendments, modifications or limitations entered in the Register.

[13] Section 38 of the Act provides for infringement of a trademark as follows:

> (1) A registered trade mark is infringed by a person who, not being the registered proprietor of the trademark or registered user of the trademark using by way of permitted use, uses a mark which is identical with it or so nearly resembling it as is likely to deceive or cause confusion in the course of trade in relation to goods (or services) in respect of which the trademark is registered in such a manner as to render the use of the mark likely to be taken either:
>
> (a) as being use as a trade mark;
>
> (b) in a case in which the use is use upon the goods or in physical relation thereto or in an advertising circular, or other advertisement,

issued to the public, as importing a reference to a person having the right either as registered proprietor or as registered user to use the trademark or to goods with which the person is connected in the course of trade; or

(c) in a case in which the use is use at or near the place where the services are available or performed or in an advertising circular or other advertisement issued to the public, as importing a reference to a person having a right either as registered proprietor or as registered user to use the trademark or to services with the provision of which the person is connected in the course of trade.

[14] In essence, the plaintiff must prove that the alleged infringing mark is identical with or so near resembling the plaintiff's mark as is likely to deceive or cause confusion. The relevant test to apply is by comparing the marks as a whole, in particular their sound, look, distinguishing and essential features; the nature of the goods and customers as well as all the surrounding circumstances.

[15] In order to prove its case of infringement under s 38 of the Act, the plaintiff must prove all the following elements, namely:

(a) the plaintiff is the proprietor or owner of the said registered trademarks in question;

(b) the defendant is not the proprietor or registered user of the said trademarks;

(c) the defendant used the said trademark in the course of trade in relation to the goods;

(d) the trademark used by the defendant is identical or similar with the plaintiff's registered trademarks or so nearly resembling it as likely to deceive or cause confusion.

[16] Parker J in the case of *Pianotist Co's Application* (1906) 23 RPC 774, had given a good indication as to how to determine the issue of similarity between the plaintiff's and defendant's product, as follows:

> You must take the two words. You must judge them, both by their look and their sound. You must consider the goods to which they are to be applied. You must consider the nature and kind of customer who would be likely to buy those goods. In fact you must consider all the surrounding circumstances; and you must further consider what is likely to happen if each of those marks are used in a normal way as a trademark of the goods of the respective owners of the marks.

A This ruling was followed by Wan Adnan J and was later affirmed by the Supreme Court (on appeal) in *Tohtonku Sdn Bhd v Superace (M) Sdn Bhd* [1992] 2 MLJ 63.

[17] In *Tohtonku Sdn Bhd*, the Supreme Court affirmed the decision of the B High Court in setting aside a trade description order based on trademark infringement on the ground that the respondent's 'SISTER' mark was not confusingly similar to the applicant's 'MISTER' mark. Mohamed Yusoff SCJ said at paras 66 and 67 as follows:

C In the instant case, the learned trial judge had found that 'there are two features of the two marks which are similar, namely, red in colour and split in wording'. However, having regard to the totality of the circumstances of the case, the learned judge was apparently satisfied that:

D there is no similarity between the two words 'MISTER' and 'SISTER' as to be likely to cause deception or confusion. The words are different. There is similarity in the second syllable but as a whole the similarity is not close enough as to be likely to cause deception or confusion. Further, the get-up of the intervener's product is green background colour with the picture of a lady whereas the get-up of the applicant's product is white-blue-grey background E colour with the picture of a lady and a man.

[18] The resemblance between the plaintiff's and defendant's trademarks must be considered with reference to the ear as well as to the eye (see *Country* F *Chemical Application* (1937) 54 RPC 182 at p 185). The two marks may be visually entirely deferent, but they may still be considered 'similar' to each other if the sound of their pronounciation is the same or similar. A good example of the possibility of oral confusion, being decisive is in the case of *PHILIPS Trade Mark* (1969) RPC 78. In that case, the court ruled that the G two marks were visually entirely different but because the applicant's mark contained the word '*Philips*', there was a distinct possibility of oral confusion with the defendant's signature mark which ended with the surname 'Phillips'.

[19] In this respect, the learned author of *Kerly's Law of Trade Marks and* H *Trade Names* (12th Ed) says:

Examination of reported cases shows that where the marks are meaningless words or words of essentially similar character, the courts give as much weight to phonetic as to visual resemblance.

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[20] Once the use by the defendant of the plaintiff's trademarks is shown to be 'in the course of trade', the question whether there has been an infringement is to be decided by comparison of the marks in question where the two marks are identical, no further questions arise; for then the

infringement is made out. When the two marks are not identical, the plaintiff would have to establish that the mark used by the defendant so nearly resembles the plaintiff's registered marks as is likely to deceive or cause confusion and in relation to goods in respect of which it is registered. Where the question arises in an action for infringement, the onus would be on the plaintiff to establish that the trademark used by the defendant in the course of trade in the goods in respect of which the plaintiff's mark is registered, is deceptively similar. This has necessarily to be ascertained by a comparison of the two marks the resemblance may be phonetic, visual or in the basic idea represented by the plaintiff's marks. The purpose of the comparison is for determining whether the essential features of the plaintiff's trademarks are to be found in that of the defendant's trademark. The identification of the essential features of the marks is in essence a question of facts and depends on the judgment of the court based on the evidence led before it as regards the usage of the trade. The ultimate analysis is whether the mark used by the defendant as a whole is deceptively similar or cause confusion to that of the plaintiff's registered mark (see *Kaviraj Pandit Durga Dutt Sharma v Navaratna Phamaceutical Laboratories*.

[21] Based on the above considerations and applying the tests laid down in the above authorities the court finds that there are obvious dissimilarities between the plaintiff's 'CLUB 99' mark/'CLUB 999' mark and the defendant's 'TRIPLE 999' mark, be it in phonetic as well as visual approaches.

[22] The words 'CLUB' in the plaintiff's marks and the word 'TRIPLE' in the defendant's mark are entirely different, phonetic as well as visual. The emphasis is placed on the words 'CLUB' and 'TRIPLE' respectively and consumers or purchasers would pronounce the word 'CLUB' and 'TRIPLE' before the numeral '9'.

[23] The get-up of the plaintiff's 'CLUB 99' liquor is not limited to the word and numerals 'CLUB 99' in gold with red background. The plaintiff's 'CLUB 99' liquor is not exclusive to gold lettering with red background. The plaintiff's 'CLUB 99' liquor is also sold in a label with the word 'CLUB' in red colour, numerals '99' in black with a beige background (see para 35 and exh 'LCS-11' pp 303–304 of Lee's first affidavit (encl 6) and Annexure A of the defendant's submission).

[24] On the other hand, the get-up of the defendant's 'TRIPLE 999' liquor, have three different get-ups, namely:

(i) word and numerals 'TRIPLE 999' in gold with red background;

A (ii) word and numerals 'TRIPLE 999' in gold with dark green background; and

(iii) word 'TRIPLE' in red, numerals '999' in black with a beige background (see para 35 and exh 'LCS-12' pp 305–307 of Lee's first affidavit (encl 6)).

B The court finds that the get-up containing words and numerals in gold with a red background is not peculiar and/or distinctive of the plaintiff. Further, the numeral '9' and get-up is common to the trade. The court also finds that the plaintiff has failed to adduce any evidence on use of the 'CLUB 999' mark.

C

THE PLAINTIFF HAS NO EXCLUSIVE RIGHT OVER THE NUMERALS '99' AND '999'

D **[25]** It is pertinent to point out at this juncture that each of the plaintiff's registrations for 'CLUB 99' and 'CLUB 999' is expressly subject to a disclaimer that the registration does not have an exclusive right over the use of the numerals '99' and '999'. The registration documents for the plaintiff's trademark 'CLUB 99' (Registration No 88002152) and for trademark 'CLUB 999' (Registration No 97017342) (exhibited as exh 'LCS-10' to encl 6 and exh 'G-2' to encl 2) clearly indicate with the endorsement '*Registration of this trademark shall give no right to the exclusive use of the numeral '99' (and '999')*'. In short, the plaintiff does not have an exclusive right to use the numerals '99' and '999' in both its trademarks because the plaintiff has disclaimed right to exclusive use of the numerals '99' and '999'. The plaintiff only has an exclusive right on the word 'CLUB' in both registration. Therefore, the court should disregard the numerals '99' and '999' in the plaintiff's registration when comparing whether the defendant's 'TRIPLE 999' mark is confusingly similar to the plaintiff's marks.

E

F

G **[26]** Section 35(1) of the Act gives the registered proprietor of a trademark 'the exclusive right to the use of the trademark in relation to the goods subject to any conditions, amendments, modifications or limitations entired in the register'. In the present case the disclaimer endorsement in the registration documents of the plaintiff's trademarks clearly speaks for itself. The disclaimer is the 'limitation entered in the register' in respect both the plaintiff's trademarks.

H

[27] In *British-American Tobacco Co Ltd v Tobacco Importers & Manufacturers Ltd & Ors* [1963] MLJ 196, Ambrose J said at p 198 as follows:

I

> … The exclusive use of those words was specifically disclaimed by the plaintiffs. I decided that a disclaimed feature cannot possibly be regarded as an essential particular. I agreed with the view expressed by Lloyd-Jacob J in the *Taw* case cited

above that 'A disclaimed feature is the antithesis of an essential particular'. I accepted the following passage from *Kerly's Law of trademarks* (8th Ed) p 150, as a correct statement of the law:

> The effect of a disclaimer is that the proprietor of the registered trademark cannot claim any trademark rights in respect of the parts of the mark to which the disclaimer relates, so that, for instance, no action for infringement lies in respect of the use or imitation of the disclaimed particulars.

[28] In *Rosenthal v Reynolds* (1892) 9 RPC 189, North J said at p 192 as follows:

> There is one ground which I think sufficient to prevent me granting an injunction at the present time. It is this that the plaintiff has registered his trademark in respect of corsets, and he has expressly disclaimed any exclusive right to or interest in these two letters 'WR' in connection with corsets. Those, therefore, not only do not form part of his mark, but in registering the mark and securing the benefit which such registration gave him, he has expressly disclaimed and told the world that he has no monopoly whatever of the use of those two letters in connection with this mark. Under those circumstances, I do not see my way to interfere on his behalf and say that although he has registered what he can register and has disclaimed what he cannot register, yet he is to have precisely the same benefit conferred on him in respect of what he cannot register as in respect of that which he could and did deliberately register. Under those circumstances I decline to make any order at present.

[29] In *Ardath Tobacco Co Ltd v W Sandorides Ltd* (1924) 42 RPC 50, the court held that the plaintiff was not entitled to claim an exclusive right to use the numerals '999' in relation to cigarettes and held that the defendant's use of the numerals '999' did not constitute infringement of the plaintiff's trademark registration for '999' or passing off. In that case, Tomlin J held as follows:

> … The truth is that the plaintiff company seek to establish that their trademark of three nines gives them in effect a monopoly in a repetition of nines. I do not think that this claim can be sustained, and I hold that there has not been any infringement of trademark.
>
> Upon the other branch of the case, the matter has to be considered somewhat more broadly. It is not suggested, and it could not be suggested, that any case of passing off can be made based upon character of the get-up of the goods.
>
> Now, even if the public associates the plaintiff company with a special system of numbering, there is nothing to show that such association is with any system except that a triple repetition, and I see no reason why or evidence to suggest that the use of a number consisting of a numeral repeated twice, even if it is a '9', affords, taken alone, any reasonable ground for concluding that there is a risk of

confusion or deception. This is really another aspect of the plaintiff company's claim of monopoly in all repetition of numerals, and that claim cannot be sustained.

[30] In *The Matter of Loftus's Trade Mark* (1894) 11 RPC 29, North J said at p 33 as follows:

> ... I do not see how the use in one of what is admitted by both to be common property, and not exclusively belonging to either, can in itself be sufficient to make the mark containing the words disclaimed by the first calculated to deceive when used by the second …

PASSING OFF

[31] A plaintiff must satisfy the following requirements in order to establish the tort of passing off:

(a) that is has established goodwill and reputation in this trade (whether goods or services);

(b) misrepresentation by the defendant; and

(c) the defendant's acts of misrepresentation have caused damage or likelihood of damage to the plaintiff.

[32] In *Sinma Medical Products (M) Sdn Bhd v Yomeishu Seizo Co Ltd & Ors* [2004] 4 MLJ 358, Nik Hashim JCA said at p 370 as follows:

> [33] The elements of the tort of passing off are found in the leading speech of Lord Oliver in the case of *Reckitt & Colman Products Ltd v Borden Inc & Ors* [1990] 1 All ER 873 at p 880:
>
> > … The law of passing off can be summarised in one short general proposition, no man may pass off his goods as those of another. More specifically, it may be expressed in terms of the elements which the plaintiff in such an action has to prove in order to succeed. These are three in number. First, he must establish goodwill or reputation attached to the goods or services which he supplies in the mind of the purchasing public by association with the identifying 'get-up' (whether it consists simply of a brand name or a trade description, or the individual features of labeling or packaging) under which his particular goods or services are offered to the public, such that the get-up is recognised by the public as distinctive specifically of the plaintiff's goods or services. Second, he must demonstrate a misrepresentation by the defendant to the public (whether or not intentional) leading or likely to lead the public to believe that goods or services offered by him are the goods or services of the plaintiff. … Third, he must demonstrate that he suffers or, in a quia timet action, that he is likely to suffer damage by reason of the erroneous belief engendered by the defendant's

misrepresentation that the source of the defendant's goods or services is the same as the source of those offered by the plaintiff. A

[35] Thus in summary, the respondents had to establish three elements at trial in order to demonstrate that the appellant had passed off their medicinal wine as that manufactured and sold by the respondents: B

(i) reputation;

(ii) misrepresentation; and

(iii) damage. C

INTERLOCUTORY INJUNCTION

[33] The principles governing the grant of interlocutory injunction are found in the House of Lords' decision in *American Cyanamid Co v Ethicon Ltd* [1975] AC 396 at pp 407–409 which have been applied by our courts in numerous cases. In essence, a plaintiff has to show that based on an objective assessment of the facts and evidence adduced at this stage that there is a serious question to be tried; and: D E

(i) the plaintiff would suffer irreparable damage or would not be adequately compensated by an award of damages for the loss it would have sustained as a result of the defendant continuing the infringing/offending acts between the time of the application for interlocutory injunction and the trial; and F

(ii) the defendant could be adequately compensated if it were enjoined from continuing its infringing/offending acts and the plaintiff is and would be in a position to pay damages the defendant would have suffered if it succeeded at trial; G

(iii) if there is doubt as to the adequacy of damages available to either the plaintiff or the defendant, the court should consider where the balance of convenience lies in the sense that which party would suffer more injustice as a result of granting or refusing an interlocutory injunction. H

[34] In *Pekeliling Triangle Sdn Bhd & Anor v Chase Perdana Bhd* [2003] 1 MLJ 130, Mohd Noor Ahmad JCA said at pp 141–142 as follows:

The learned judge was right on the statement of the law relating to the basic principles on the granting of an interlocutory injunction including a mandatory injunction. He referred to the classic case of *American Cyanamid Co v Ethicon Ltd* [1975] 1 All ER 504 and correctly stated the basic principles in these terms: I

(1) that there is a serious question to be tried;

(2) that in the event that the applicant were to succeed at the trial damages would not be an adequate compensation for his loss;

(3) that the balance of convenience lies in the applicant's favor; and

(4) that there are special circumstances in favour of the applicant or in favour of the respondent.

In his deliberation, he also took into consideration the law as phrased by Gopal Sri Ram JCA in *Keet Gerald Francis Noel John v Mohd Noor bin Abdullah & Ors* [1995] 1 MLJ 193 at pp 195–196 which is as follows:

(1) having found that an issue has been disclosed that requires further investigation, he must consider where the justice of the case lies. He must take into account all relevant matters, including the practical realities of the case before him and weigh the harm the injunction would produce by its grant, against the harm that would result from its refusal; and

(2) the judge must have in the forefront of his mind that the remedy that he is asked to administer is discretionary, intended to produce a just result for the period between the date of the application and the trial proper and to maintain the status quo. It is a judicial discretion capable of correction on appeal. A judge should briefly set out in his judgment the several factors that weighed in his mind when arriving at his conclusion.

SERIOUS ISSUES TO BE TRIED

[35] The plaintiff must establish that its claims against the defendant are not frivolous or vexatious in that it has a real prospect of succeeding at trial. After considering all the evidence and submission by both sides, in the present case, the court finds that the plaintiff has failed to show that there is a serious question to be tried for the reason stated herein below.

[36] The court had earlier ruled that there are obvious dissimilarities between the plaintiff's 'CLUB 99' and 'CLUB 999' trademarks and the defendant's 'TRIPLE 999' trademark. The court had also ruled that the plaintiff has no exclusive right over the numerals '99' and '999'. Therefore the court is satisfied that the defendant's trademark cannot be said to deceptive or confusing with the plaintiff's trademarks.

GOODWILL AND REPUTATION

[37] The plaintiff has not adduced any evidence to show that it has been using and/or promoting the 'CLUB 999' mark. Furthermore, the defendant

started using the 'TRIPLE 999' mark prior to the application date of trademark No 97017342 for 'CLUB 999'. The plaintiff has failed to show that it has acquired goodwill or reputation in 'CLUB 99' mark or 'CLUB 999' mark.

[38] The plaintiff's allegation of acquisition of goodwill and reputation should be rejected by this court because it had failed to adduce evidence to substantiate its allegation. In *Bank Negara Malaysia v Mohd Ismail & Ors* [1992] 1 MLJ 400, at p 408, Mohamed Azmi SCJ delivering the judgment of the then Supreme Court said as follows:

> Although Lord Diplock was dealing with an application for removal of caveat in that particular case, we are of the view that the above principle of law is relevant and applicable to all cases where a judge has to decide a case or matter on affidavit evidence.
>
> Under an O 14 application, the duty of a judge does not end as soon as a fact is asserted by one party, and denied or disputed by the other in an affidavit. Where such assertion, denial or dispute is equivocal, or lacking in precision or is inconsistent with undisputed contemporary documents or other statements by the same deponent, or is inherently improbable in itself, then the judge has a duty to reject such assertion or denial …

[39] On the other hand, the defendant has adduced ample evidence to show that it has sold a substantial quantity of liquor bearing the 'TRIPLE 999' mark throughout the country including Kuala Lumpur and Klang Valley without any interruption from the plaintiff since November 1997. Thus, the defendant has acquired substantial reputation and/or goodwill in its liquor business under the 'TRIPLE 999' mark.

MISREPRESENTATION OR CONFUSION

[40] The court agrees with the defendant that the purchasers and consumers of the plaintiff's goods bearing 'CLUB 99' mark and 'CLUB 999' mark and the defendant's goods bearing the 'TRIPLE 999' mark would not be deceived or confused because of the following reasons:

(a) the numerals '99' and '999' has been expressly disclaimed;

(b) the numeral '9' is common to the trade;

(c) the plaintiff has no monopoly to the gold/red/beige colour because these colours are common to the trade; and

(d) there are obvious differences between the plaintiff's 'CLUB 99' mark and 'CLUB 999' mark and the defendant's 'TRIPLE 999' mark.

[41] On the issue of whether a feature or get-up is common to the trade, Lindley MR said in *Payton & Co Ltd v Snelling Lampard & Co Ltd* (1899) 17 RPC 48 at p 52 as follows:

> … What is it that the plaintiffs must make out in order to entitle them to succeed in this action? They must make out that the defendant's goods are calculated to be mistaken for the plaintiffs', and where, as in this case, the goods of the plaintiff and the goods of the defendant unquestionably resemble each other, but where the features in which they resemble each other are common to the trade, what has the plaintiff make out? He must make out not that the defendant's are like his by reason of those features which are common to them and other people, but he must make out that the defendant's are like by reason of something peculiar to him, and by reason of the defendant having adopted some mark, or device, or label, or something of that kind, which distinguishes the plaintiff's from other goods which have, like his, the features common to the trade. (This decision was affirmed by the House of Lords in [1901] AC 308.)

[42] The plaintiff has failed to show that the numeral '9' is a feature peculiar to the plaintiff's product because other traders including the defendant have been using the numeral '9' for liquor product. Further, there would be no confusion between products bearing 'CLUB 99' mark or 'CLUB 999' mark and 'TRIPLE 999' mark because consumers or purchasers would place emphasis on the prices of the liquor and their overall appearance and get-up as opposed to the mark.

[43] The kind of customers that this court should take into account is one who knows the distinguishing characteristics of the plaintiff's liquor and what is fairly common to the trade. Further, a consumer or purchaser is presumed to have reasonable apprehension with proper eyesight.

[44] In *Morning Star Co-operative Society Ltd v Express Newspapers Ltd* [1979] FSR 113, Foster J said at p 117 as follows:

> These differences lead me to answer to question whether the plaintiff's have any real chance of succeeding at the trial in the negative, and without any analysis such as I have just given if one puts the two papers side by side I for myself would find that two papers are so different in every way that only a moron in a hurry would be misled.

[45] In *Schweppes Ltd v Gibbens* (1905) RPC 601, the plaintiff sold soda water in bottles with a label in chocolate colour, with a white border and a red medallion bearing the word '*Schweppes Soda Water*' and the defendant sold soda water in bottles with a 'somewhat similar neck label around them of the same colour, and with a central red medallion' with the words '*Gibbens*

Soda Water'. The plaintiff failed on passing off. The decision was affirmed by the Court of Appeal and House of Lords. Lord Halsbury LC said at paras 606–607 as follows: A

> … The question that we have to determine is whether in selling the bottle a person is likely to be deceived by the resemblance of the one thing to the other; and if a person is so careless that he does not look, and does not, as I think Lord MacNaghten described it in another case, 'treat the label fairly', but takes the bottle without sufficient consideration and without reading what is written very plainly indeed upon the face of the label on which the trader has placed its own name, then you certainly cannot say he is deceived — in fact he does not care which it is. That would be the true inference which I think a person would draw from conduct so described. B C
>
> The whole question in these cases is whether the thing — taken in its entirety, looking at the whole thing — is such that the ordinary course of things a person with reasonable apprehension and with proper eye sight would be deceived. Looking at this in this way, it seems to me it is only necessary here to put the two things side by side to say that, if you do look and if you do treat the two labels fairly, no human being could be deceived … D

And Lord Lindley said at p 607 as follows: E

> My Lords, I am of the same opinion. It appears to me that the real answer to the appellants' case is this-that they invite Your Lordships to look, not at the whole get-up, but at that part of the get-up which suits their case. The resemblances here are obvious enough, but, unfortunately for the appellants, so are the differences. The differences are not concealed; they are quite as conspicuous as the differences. If you look at the whole get-up, and not only at that part of it in which the resemblances are to be found, the whole get-up does not deceive … F

[46] In *Tong Guan Food Products Pte Ltd v Hoe Huat Hng Foodstuff Pte Ltd* [1991] 2 MLJ 361, the Court of Appeal of Singapore affirmed the High Court decision in dismissing the plaintiff's claim for passing off on the ground that the defendant's product bearing the '*Deer*' brand was not confusingly similar to the plaintiff's product bearing '*Tong Garden*' brand. Yong Pung How CJ said at p 367 as follows: G H

> … Looking at the various exhibits and taking into account the many differences in the packaging, and the fact that the brand name is important and prominently displayed, we find that there has been no misrepresentation in this case. Further, we should also point out that although illiteracy has been referred to in many of the previous cases, this must be an evaporating consideration in the Singapore of today. We are of the view that an ordinary purchaser using ordinary caution in Singapore would (sic) know enough English or Chinese to read the brand name in one of the two languages that appear on the 'Tong Garden' products regardless whether they are English or Chinese educated. I

[47] The above passage in *Tong Guan Foods* was reiterated by the Court of Appeal of Singapore in *Chiarapurk Jack & Ors v Haw Par Brother International Ltd & Anor & Another Appeal* [1993] 3 SLR 285.

MARKET SURVEY

[48] The plaintiff has adduced market survey evidence in an attempt to show possible deception and/or confusion more than 15 months after filing of encl 3. Due to the inordinate and prolong delay in the plaintiff adducing the purported market survey, the defendant has been deprived of an opportunity of filing similar evidence in rebuttal.

[49] The court in *Imperial Group Plc v Philip Morris Ltd* (1984) RPC 293 held that the following guidelines must be followed before market survey evidence is admissible:

(a) the interviewees must be selected so as to represent a relevant cross-section of the public;

(b) the size must be statistically significant;

(c) the survey must be conducted fairly;

(d) all the surveys carried out must be disclosed including the number carried out, how they were conducted, and the totality of the persons involved;

(e) the totality of answers given must be disclosed and made available to the defendant;

(f) the questions must not be leading nor should they lead the person answering into a field of speculation he would never have embarked upon had the question not been put;

(g) the exact answers and not some abbreviated form must be recorded;

(h) the instructions to the interviewers as to how to carry out the survey must be disclosed; and

(i) where the answers are coded for computer input, the coding instructions must be disclosed.

[50] In *United Biscuits (UK) Ltd v Burtons Biscuits Ltd* [1992] FSR 14, Vinolott J said at pp 20–21 that result of a market survey will not be of any value if it is not sufficiently well designed and the answers are not sufficiently well analysed.

[51] In *Lim Yew Sing v Hummel International Sports & Leisure A/S* [1996] 3 MLJ 7 the Court of Appeal held at p 26 that survey evidence is only admissible if it has complied with the minimum criteria laid down in *Imperial Group*.

[52] In *Mothercare UK Ltd v Penguin Books Ltd* (1988) RPC 113, the English Court of Appeal held that the defendant's use of the title '*Mother Care/Other Care*' in relation to its book did not constitute infringement of the plaintiff's trademark registration for '*Mother Care*'. The plaintiff also failed on passing off due to lack of evidence of confusion. In relation to survey report, Dillon LJ said at p 117 as follows:

> … It has become rather as a fashion lately for large companies involved in passing off actions to have surveys carried out, with the results put in evidence, to show public reaction to the defendant's product, when, as here, the question of misrepresentation or likelihood of deception is a question for the court, I do not for my part, find such surveys helpful, just as I do not find it relevant on the question of misrepresentation that in the review of the book in the *Daily Telegraph* the printer set up the title of the book as being 'Mothercare Othercare'.

[53] In *Customglass Boats Ltd & Anor v Salthouse Bros Ltd* (1976) RPC 589 at p 595 Mahon J said as follows:

> The weight of such evidence, which was the basis of Mr Gault's objection in this case as opposed to technical admissibility, will depend upon the circumstances. There must be a formulation of questions cast in such a way as to preclude a weighted or conditioned response, there must be clear proof that the answers were faithfully and accurately recorded, and there must be evidence that the answers were drawn from a true cross-section of that class of the public or trade whose impression or opinion is relevant to the matter in issues.

[54] The court is of the view that the purported market survey tendered as evidence by the plaintiff in the present case is of no probative value because it suffers from fundamental defects. It has failed to comply with the minimum criteria laid down in *Imperial Group*. The evidence contained in the purported market survey is of no probative value because not all surveys conducted, their methodology and results are disclosed; the totality of the answers were not disclosed; the questions are leading questions; the questions had lead the interviewees into a field of speculation upon which they would not otherwise have embarked; the instructions given to the interviewers are not disclosed and *et cetera*. The purported market survey suffers from fundamental defects and the results of which should not carry any weight.

[55] Even if the said market survey as tendered by the plaintiff is admissible, the court finds that it has no probative value because of, inter alia, the following defects in it, namely:

(a) it was not conducted on relevant persons, which comprise of an average consumer, a person who is reasonably well informed and observant and/or are likely to become purchasers of the plaintiff's and defendant's products but on members of the public in general which were being asked to guess about something which they might not have bothered to trouble themselves on if the matter had not been put to them in the way it did;

(b) it was not by such a method that a relevant cross-section of the public is interviewed. The market survey was conducted in Klang Valley and not throughout Malaysia to sufficiently include a cross-section of the public;

(c) all questionnaires do not have the date and time of the interview;

(d) the persons interviewed were not shown the plaintiff's product bearing 'CLUB 99' mark together with the defendant's product bearing 'TRIPLE 999' mark. The persons interviewed were shown the plaintiff's marks with the first question which read as follows '1) Please show the interviewee product A. Do you know of or recognise this brand' and followed by question No 3 which reads as follows 'Please show the interviewee product B. Do you associate this product with any other product/brand?';

(e) question No 4 of the questionnaire is a leading question which reads as follows 'Look at product A, and product B. Do you think product A and B are related or associated in any way?';

(f) question No 5 of the questionnaire is a leading question which reads as follows 'Do you think that there's any similarity between the two marks?;

(g) questionnaire form of Raul Lee Bhan Karen at pp 31–33 is incomplete because it is not signed;

(h) questionnaire form of Syed Shahzli at pp 37–39 is incomplete because question Nos 1 and 2 were not answered;

(i) questionnaire form of Lim Ai Lan at pp 50–51 is incomplete because the second page of the questionnaire is missing.

[56] Further, this court should attach no weight at all to the purported market survey since the question of misrepresentation or deception is a question of fact for the court, and not 'interviewees' of a purported market survey who have neither affirmed any affidavit nor called as witnesses. In *Mothercare* Dillon LJ said at p 116 as follows:

> The question whether there is a misrepresentation, like the question whether there is a likelihood of deception, is a question for the tribunal and not a matter for a witness: *Kerly on Trade Marks* (12th Ed) sections 17–25 and *North Cheshire and Manchester Brewery Co v The Manchester Brewery Co* [1899] AC 83, per Lord Halsbury.

[57] On the question of damages, the court is of the view that there is no likelihood that the plaintiff would suffer damage because, as stated earlier, the plaintiff has failed to prove that it has acquired goodwill and reputation in its liquor business under 'CLUB 99' mark and/or 'CLUB 999' mark and that there is no likelihood of confusion between the plaintiff's trademark and the defendant's trademark.

[58] Further, it is pertinent to note that the plaintiff has failed to adduce any evidence of actual damage despite the fact that the defendant has been selling its liquor on a substantial basis for nearly eight years before commencement of this action.

[59] On the affidavit evidence adduced so far by both sides at this stage of the proceedings, the court is satisfied there is no bona fide issues or question need to be tried. There is no real prospect of the plaintiff succeeding at trial. On this issue alone, the plaintiff's application for interlocutory injunction should be dismissed.

ADEQUACY OF DAMAGES

[60] Even assuming there are issues to be tried, the court shall now consider whether damages are adequate remedy if the plaintiff succeed at trial.

[61] The court is of the view that the plaintiff would not suffer any irreparable damage. The plaintiff can be adequately compensated by damages because the plaintiff has failed to show that it has acquired goodwill and reputation in its liquor business under 'CLUB 99' mark and 'CLUB 999' mark. Further, the likelihood of confusion or deception between 'CLUB 99' mark and 'CLUB 999' mark and the 'TRIPLE 999' mark, if any, is remote.

[62] On the other hand, if an interlocutory injunction were granted, the defendant would suffer irreparable damage to its business and goodwill. Further, the defendant would have to cease business relating to the liquor bearing 'TRIPLE 999' mark pending trial of the action. The defendant would not be adequately compensated by damages.

[63] In *Chiarapurk Jack*, the Court of Appeal of Singapore held that damages are adequate remedy in a passing off action where the defendant's product is of comparable quality to the plaintiff's product.

[64] Further, the plaintiff has failed to show that it has the financial means to compensate the defendant for damages (if it is compensable in monetary terms), that the defendant would suffer from the grant of an interlocutory injunction until conclusion of trial.

[65] In *Management Publication Ltd v Blenheim Exhibitions Group Plc & Anor* [1991] FSR 550, Fox LJ said at p 554 [p 243, DBA] as follows:

> The judge's approach to that question was this: which side is likely to suffer injustice by reason of the grant or refusal of an injunction? That to my mind is a reasonable approach in the circumstances.
>
> In considering that question, the judge said, first, that if an injunction is granted the defendants will certainly suffer damage in the form of wasted expense which has been incurred in relation to the introduction of the publication into the market. That damage would be quantifiable, but what must be considered is the effect upon the defendants by preventing them from using the chosen title until trial. The judge took the view that would be a significant blow to the defendants' business in relation to the magazine. Its title would have to be changed and that change in title would have to be brought to the attention of the market and in those circumstances it would be inevitable that there would probably be an unquantifiable loss sustained by the defendants. The judge so concluded, and for myself I would agree with him.

BALANCE OF CONVENIENCE

[66] In a passing off action, it is necessary for the plaintiff to show more than a serious question to be tried. In *The Athletes Foot Marketing Associates Inc v Cobra Sports Ltd & Anor* (1980) RPC 343, it was held that since the outcome of an application for interlocutory injunction in a passing off action would profoundly affect the rights of the parties in a way which could not easily be undone if at the trial a different result were reached, it was necessary

to consider rather more than in the usual case the strength of the plaintiff's case in law. Walton J said at pp 348–349 as follows:

> I now turn to the law applicable. Mr Anthony Evans, for the plaintiffs, argued that on the foregoing facts there was an arguable case to the effect that the plaintiffs did indeed have the goodwill which they assert, and that therefore, following *American Cyanamid v Ethicon* [1975] AC 396, I should forthwith proceed to consider the balance of convenience which he submitted came down heavily in favour of the plaintiffs.
>
> I am not, however, prepared to take that simple course, and that for two reasons. The first is that, in matters involving trade restrictions, it is not possible to apply the general procedure of that case in precisely the same manner as in other cases. The reason is simple: the decision on the motion, whichever way it goes, profoundly affects the rights of the parties in a way which cannot easily be undone if at the trial a different result is reached. If, for example, an injunction were granted as sought by the plaintiffs, then the defendants would have to change the name of their mail order and bargain basement operations. It would be idle to say that they could change back — possibly years later after there has been a trial and appeals from the decision therein — because in the meantime they will of necessity, have invested time, money and effort in a totally different direction, and obviously, they would not wish throw that all away. It has therefore been clearly recognised that in the present type of case it is necessary to consider rather more than in the usual case the strength of the plaintiffs' case in law (see *Office Overload v Gunn* [1977] CSR 39; and per Lord Diplock in *NWL Ltd v Woods* [1979] 1 WLR 1296 at p 1307A–B).

[67] Further, the balance of convenience is in favour of maintaining status quo by allowing the defendant to continue manufacturing and selling the liquor which it has already been manufacturing and selling for over nine years now pending trial of the action. In *Si Rusa Beach Resort Sdn Bhd v Asia Pacific Hotels Management Pte Ltd* [1985] 1 MLJ 132, Abdul Hamid CJ (Malaya) said at p 136 as follows:

> The question is what, in the instant case, should that status quo be? With respect to the learned judge it would seem to us that his finding that the balance of convenience lay in favour of the operator, was based solely upon the consideration of the loss to be sustained by the operator in the event the interim injunction being withdrawn omitting however, to consider what we think is an important factor, and that is that at all material times the owner was in possession and control of the hotel. Besides, all the licences to run a boarding house and restaurant, sell liquor, operate billiards, flipper machines and so forth were all in the name of A Chelliah personally. That being the case the operator cannot possibly run the hotel and manage the whole operation without first obtaining the necessary licences.

A These are some of the matters which need to be taken into consideration in the present case to decide where the balance of convenience lies. There were other factors which ought also to have been taken into consideration, namely, the fact that the owner had been operating and living there and the fact that the respondent company is a foreign company with no assets in this country. They need to be considered to decide whether status quo should be maintained. In our judgment if the status quo is to be maintained the only order that can properly be made at this stage is to allow the owner to continue to run the hotel until the action is finally litigated and a decision made thereon.

C **[68]** The balance of convenience is clearly against granting an interlocutory injunction in the present case, for the following reasons:

(a) the plaintiff has been guilty of unreasonable and excessive delay in seeking interlocutory injunctive relief and such delay has prejudiced the defendant in that the defendant has established a market for its 'TRIPLE 999' liquor since November 1997.

In *Haji Wan Habib Syed Mahmud v Datuk Patinggi Haji Abdul Taib Mahmud & Anor* [1986] 2 MLJ 198, Abdul Mansor J (as he then was) said at p 200 as follows:

E The delay of nearly two months on the applicant's part in bringing this action I hold to be fatal. The court held that this is even more so when suspension is only for six months and in a matter of three months his status quo will be restored. The court takes the view that where the applicant has delayed and he, in a matter of months will automatically have that remedy without the court's aid, he then has F no need to seek it from the court. In *R v Senate of University of Aston*, Blain J in refusing the exercise of a discretionary power affected by delay said:

> This court does not lightly exercise its discretion... not only is real injustice a necessary ingredient before any application is granted, but it should, in my view be granted only where diligence is shown by an applicant in real need of remedy.

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> In *Evercrisp Snack Products Sdn Bhd v Sweeties Food Industries Sdn Bhd* Hashim Yeop Sani J (as he then was), refused to grant an interlocutory injunction where the applicant had not explained his unreasonable delay in his claim for interim relief. Likewise, in the cited case therein of *Tavener Rutludge Ltd v Specters Ltd* (1957) RPC 498 though they be trademark cases, a delay of seven weeks which H had not been explained in the plaintiff's affidavit was held to be fatal.

The decision in *Haji Wan Habib* was affirmed by the Supreme Court where Abdul Hamid Ag LP said at p 202 as follows:

I … But it will appear that the trial judge also relied on the long delay of two month before the appellant sought relief and this delay the judge held to be unreasonable and unexplained by the appellant. Discretionary remedies are exceptional in their nature and shall not be made available to those who sleep on their rights.

(a) the plaintiff did not come to this court with clean hands in that it did not disclose in its affidavit affirmed on 31 October 2005 (encl 2) filed in support of encl 3 of the fact that the plaintiff has knowledge of the alleged passing off since early 1998;

(b) if interlocutory injunction were granted, it would in all probability bring the action to an end. This would cause great prejudice and injustice to the defendant (see *Athletes Foot*'s case); and

(c) the plaintiff has failed to show that it has the financial means to compensate the defendant for damages (if it is compensable in monetary terms) in the event win its case at trial.

[69] In *Tinta Press Sdn Bhd v Bank Islam Malaysia Bhd* [1987] 2 MLJ 192, Syed Agil Barakbah SCJ said at p 194 as follows:

> The case must be unusually strong and clear in that the court must feel assured that a similar injunction would probably be granted at the trial on the ground that it would be just and equitable that the plaintiff's interest be protected by immediate issue of an injunction, otherwise irreparable injury and inconvenience would result.

CONCLUSION

[70] In a case of this nature ie an interlocutory injunction for trademark infringement and passing off, the court must be satisfied that the plaintiff's case must be unusually strong and clear that the court must feel assured that a similar injunction would probably be granted at trial in order to avoid any irreparable injury and inconvenience suffered by the defendant. It must be borne in mind that, whilst the court will vigorously enforce the duty of fair trading, it ought not to restrict the freedom of action of an honest trader unless the complainant establishes that either deception or confusion has been accessioned by what has been done, or that there exist a reasonable probability of deception or confusion (see *Ardath Tabacco Ltd v W Sandorides Ltd*).

[71] In dealing with this type of cases the court strongly believes that in matters involving trade restrictions, it is not possible to apply the general procedure of that case in precisely the same manner as in other cases. The reason is simple, the decision, whichever way it goes, profoundly affects the rights of the parties in a way which cannot easily be undone if at the trial a different result is reached (see *Athletes Foot Marketing Associates Inc v Cobra Sports Ltd & Anor*).

A **[72]** Based on the above considerations, the court is satisfied that the plaintiff has failed to prove its case for this court to exercise its discretion to grant the interlocutory injunction as prayed by the plaintiff against the defendant vide encl 3. Therefore, the plaintiff's application for interlocutory injunction vide encl 3 is dismissed with costs.

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Application dismissed with costs.

Reported by Brendan Navin Siva

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